

# Reds take the lead in US wine market

**Anthony Manifold**

US correspondent

It's taken three decades but finally it looks as though red will edge out white as America's favourite wine tippie.

Newly-published research in The US Wine Market: Impact Databank Review and Forecast 2005, projects that, for the first time since 1976, red wine consumption will account for an all-time high of 107 million 9-litre cases compared with 106 million cases of white wine.

This also means that Americans are expected to consume 6% more red wine in 2005 than in 2004.

Beneficiaries of this upward trend will be Merlot, Cabernet Sauvignon and Pinot Noir but the big winner is Shiraz also known as Syrah.

Sales of this varietal are forecast to rise by 11%, burgeoning to almost 10million cases.

The American public became more attracted to drinking red wine in the early 1990s when health professionals speculated that moderate red wine consumption was a significant

contributor in reducing the risk of cardiovascular disease. This was characterised as the 'French Paradox' as witnessed by the lower incidence of this ailment in France than in America notwithstanding the fat-richer diet of the French.

In subsequent years, as the number of American wine drinkers steadily grew and their tastes become more sophisticated, red wines have become increasingly popular.

While white wine has not kept pace with the demand for red wine, sales are expected to increase year-on-year by 3%. Chardonnay remains America's most preferred white making up 56% of the anticipated sales of 954 million litres. Pinot Grigio and Sauvignon Blanc account for most of the balance.

Australian exporter Casella, whose Yellow Tail Shiraz and Merlot are the best-selling red wines in America, clocked up record sales of one million cases in October.

It looks as though the opportunities disclosed by this report are just as promising for exporters as US domestic producers.

## Export opportunities featured in **AWBC seminars**

**John Kennedy**

Export opportunities for Australia's wine producers have been outlined at a series of Wine Australia Business Seminars conducted by the Australian Wine & Brandy

Corporation held in Margaret River, Perth, the Hunter Valley and Melbourne recently.

The seminars provided the opportunity for the AWBC to release details of its Wine Brand Australia marketing program for international markets and for current and potential wine exporters to receive guidance on practical steps to export success and the support facilities which are provided by Austrade.

Complementary presentations from a specialist wine freight forwarder, a foreign exchange and currency risk management services provider and a detailed account of the ever changing wine law, labelling and product identification requirements for the US market in particular, were designed to equip exporters for the many challenges presented by export markets.

In each State the presentation was accompanied by an account of individual promotional campaigns available from the State Government or regional associations.

Opening the Melbourne seminar, Lucy Anderson from AWBC marketing, noted that while the 1990s represented a golden decade for Australia's wine industry exports the market had now changed dramatically.

Old and new world producers are now

working to reclaim market ground lost to Australia; the local industry has the dual challenges of over production and a strong \$A and specific campaigns are needed to win over markets like on-premises consumption where Australian wine is currently under represented.

Australia also needs to sell more quality wines at higher price points into the special occasion market in particular.

The key events in the Wine Brand Australia marketing campaign which are designed for individual markets were presented outlining the quality, consistency, innovation and individuality of Australian wines and their makers.

Austrade export adviser James Macdonald outlined the support facilities provided by Government including the extensive range of trade fairs, exhibitions, missions and conjunctional food promotions which will be encompassed in Austrade's 2006 program.

These can be accessed from the Austrade web site at [www.austrade.gov.au/events](http://www.austrade.gov.au/events)

Macdonald also stressed the importance of market research and creation of an export business culture with the proviso

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